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# FOREIGN POLICY BULLETIN

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## PLANNING STAFF SEEKS TO IRON OUT POLICY CONTRADICTIONS

THE most encouraging development within the State Department since George C. Marshall's appointment as Secretary of State is the establishment of the Policy Planning Committee headed by George F. Kennan, veteran Foreign Service officer, who has had wide experience in Europe for twenty years, notably in Germany and Russia. The function of this committee is to study long-term world trends and, on the basis of information garnered from many sources, map out the groundwork for an overall foreign policy program for the United States. The many interests this country has developed abroad as a result of the war, and the growing complexity of our relations with other nations, which involve problems of economics and philosophies of life as well as politics, give the work of this committee top rating in national importance.

It is inevitable that in a society like ours, where there must be an opportunity for all interests to be heard, no matter how narrow, there should be much conflicting counsel, with resulting confusion of public opinion on key issues such as the advisability of loans to Greece and Turkey. Once outside the overheated atmosphere of Washington and New York, however, one becomes aware that the American people are endowed with rare common sense, which is the most effective antidote against current attacks of hysteria about world problems. But this common sense also leads thoughtful citizens to detect certain divergences between the declared objectives of the United States and the concrete policies used to achieve them.

**HUMANITARIANISM NOT ENOUGH.** One of the primary objectives of the United States is to give as much aid as possible to less fortunate peoples. Granted that our material resources may be sufficient not only to maintain here the highest standard of

living known in history, but also to help other nations, the fact remains that no other country in its heyday has been so constantly and—let it be said without undue modesty—so genuinely preoccupied with human suffering outside its own borders. It is estimated that the United States since V-J Day has contributed over five and a half billion dollars for relief of devastated countries in Europe and Asia, including the work of UNRRA (72 per cent of whose funds were furnished by this country) and other government allocations, to which should be added several hundred million dollars in private relief contributions. Yet the United States vigorously urged in the UN General Assembly last fall the termination of UNRRA activities. UNRRA's work is to end on June 30, but arrangements remain to be completed for a substitute relief program under national auspices and for the transfer of displaced persons to the care of the newly organized International Refugee Organization (IRO). The uncertainties of this transition period have caused much confusion, hardship and anxiety abroad.

Moreover, public discussion here of the problems of the nearly one million DP's (most of whom are kept alive with United States funds, but without having an opportunity to do productive work), has gone on the assumption that the DP problem could be settled by the admission of 100,000 Jews into Palestine. Our unquestionably generous humanitarianism would seem more convincing to other peoples if we would squarely face the fact that only a portion of the DP's are Jews, and that we might contribute to their resettlement and rehabilitation by immediate use of immigration quotas not filled during the war. This action, it is estimated, would permit the entrance of 100,000 immigrants without any revision of our immigration legislation.

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**FREE TRADE—WITH OBSTACLES.** Another important objective of American foreign policy is to liberalize world trade as much as possible, so as to facilitate American exports to other countries. Economic reconstruction rather than relief is coming to the fore in the plans of the Washington administration, as indicated by Marshall on May 20 when he ruled out further appropriations like the \$400,000,000 aid to Greece and Turkey and the \$350,000,000 relief for other countries (but not appropriations of \$78,000,000 for food and rehabilitation in the United States occupation zone of Korea). The issue of long-term reconstruction has now become more important than immediate relief—especially reconstruction of those Western European nations which could conceivably bolster President Truman's "stop-Russia" program.

Whatever may be the merits of the Truman Doctrine, the obvious fact is that reconstruction of Europe must take place if political stability is to be achieved; and that, for the time being, the United States is the only country in the world which can fill a considerable portion of world requirements for tools, machinery and technical aid. Our exports of skills and goods, however, will depend on removal of obstacles to trade, now being discussed in Geneva at the International Trade Organization conference sponsored by the UN Economic and Social Council. Yet our trade objectives abroad are constantly threatened at home in a variety of ways. The lack of domestic controls makes it hard to establish top priorities for foreign countries in exports of machinery with the result, for example, that British purchasing agents have been told they will be unable to buy coal-mining machinery here until 1950. The rise in domestic prices, now largely uncontrolled, has sharply cut the purchasing power of loans we have already granted to countries in need of help. The insistence of certain domestic interests—for example, wool-growers—on retaining high tariffs on their products has prevented American negotiators in Geneva from making much headway in their efforts to obtain reductions of preferential arrangements between Britain and Australia, among others. And over the entire international trade scene looms fear abroad that the United States may soon suffer a serious economic recession.

Because of these considerations, the view is being increasingly expressed by political and business leaders that the United States may lose its foreign markets, which in the first quarter of 1947 absorbed our exports to the value of \$4,900,000,000 (as compared with \$1,900,000,000 in imports), unless we take the bold step of deciding to invest several billion dollars abroad annually—figures range from five to fifteen billion—to stimulate the

production, and consequently the purchasing power, of other nations which we want to have as customers. Former Governor Stassen, speaking in Iowa on May 21, suggested that this country export 10 per cent of its production of food and other goods and receive, in return, not imports of manufactured goods and gold from other countries, but various economic and political advantages, among them non-censorship, and assurances of obtaining abroad the strategic raw materials we lack.

These discussions bring up again the question, raised a year ago by Mr. Baruch, whether the United States should take stock of its resources, and then decide just how much it can afford to spend on foreign reconstruction. Such an approach to trade problems would require the adoption of at least some economic controls—which at present are opposed by political leaders of both parties, including Mr. Stassen. This would be true also of any attempts to establish priorities for American products urgently needed by devastated countries or to hold down domestic prices. The Policy Planning Committee of the State Department will thus have to weigh domestic as well as foreign problems in mapping out this country's future course.

**STOP-WHOM POLICY?** The increasing emphasis on the economic aspects of the world crisis has caused some revision of another major objective of current American policy—and that is the "stop-Russia and communism" aspects of the Truman Doctrine. Washington is becoming aware that Russia is not alone responsible for the critical condition of the world, as had been implied for several months, and that many other causes—starting with the ravages of two world wars and a major depression—have to be considered in trying to effect a cure of the world's ills. Nor is there much illusion today that communism can be spirited away either by military displays in the Mediterranean—weakened by strong Congressional desire to reduce our armed forces—or by economic and military aid to Russia's neighbors, unless economic and social conditions can be sufficiently improved to make weary, hungry and disillusioned peoples less vulnerable to Communist propaganda. The fundamental question, as yet unanswered, is whether Russia is merely intent upon causing further disintegration in Europe, as claimed by some observers, or is seeking to improve its own economic condition by the policies it is following on the continent, and would itself welcome economic aid from the United States.

Whatever the answer the Policy Planning Committee may give to this question, it is encouraging that the American public now views world affairs with less facile optimism, and with greater realiza-

tion of the intricate issues at stake. If we can learn that there are no ready-made solutions for any problems, that the mere signing of relief checks does not produce goods sorely needed abroad, and that the world is not simply divided into two rival camps of American free enterprise and Russian com-

munism, but is rife with all kinds of ideas and systems, all of which have to be in some way adjusted and compromised if another world war is to be avoided, we shall have taken the first step toward formulation of a wiser foreign policy.

VERA MICHELES DEAN

## WILL SECURITY COUNCIL ACT ON

After a four-month study of the charge made by Greece that Yugoslavia, Bulgaria and Albania were aiding guerrillas against the Athens government, the United Nations Balkan Investigating Commission adopted a report in Geneva on May 23 which commands particular attention. In the first place, it embodies the findings and recommendations of the only on-the-spot investigation which the United Nations has as yet authorized in connection with a situation which might endanger the maintenance of peace. As such, the statement of the Commission furnishes the first indication of the degree of candor and realism which may be expected from a fact-finding body established by the Security Council. Secondly, the report, which was completed just one day after President Truman signed the bill providing \$400,000,000 worth of American military and civilian assistance to Greece and Turkey, contains conclusions and recommendations which are of special significance to the United States as it launches its new policy in the Eastern Mediterranean.

### STERN INDICTMENT OF THREE STATES.

In a conclusion proposed by the United States and approved by eight members of the Commission—with France abstaining and Russia and Poland in opposition—the report found Yugoslavia, Albania and Bulgaria guilty of having supported the Communist-led guerrillas in northern Greece. However, in spite of this indictment of the three Slav states, the report acknowledged the existence within Greece itself of a number of causes for the present civil war. In a dispassionate account of the complex background of the Greek situation, the majority group pointed out the difficulties which have arisen from the Greeks' own past, their tragic experiences during World War II, the guerrilla warfare waged during the occupation, and the political bitterness and economic catastrophe to which this struggle gave rise. Moreover, the Commission, by observing that "most of the countries concerned" not only refuse to accept their present boundaries as final, but permit refugees to engage in political and military activity against their former government, suggested that Greece shares responsibility for the unrest existing along its northern borders.

PREVENTIVE MEASURES STRESSED. In accord with its efforts to give a balanced picture of the forces responsible for the guerrilla warfare in Greece, the Commission adopted a body of recom-

## REPORT OF BALKAN COMMISSION?

mendations emphasizing measures for the prevention of future offenses on the part of Yugoslavia, Bulgaria and Albania rather than the punishment of these states for past actions. These suggestions, which were endorsed by all the members of the Commission except Russia and Poland, call, first of all, for an appeal by the Security Council to all four Balkan governments to "refrain from any support, overt or covert, of elements in neighboring countries aiming at the overthrow of the lawful governments of those countries." If such appeals prove of no avail, the Commission stated that, in its opinion, "future support of armed bands formed on the territory of one state and crossing into the territory of another" should be considered by the Security Council "as a threat to peace" and dealt with by means of diplomatic pressure, economic sanctions or even the use of international armed force.

Realizing the importance of avoiding a future crisis requiring drastic action of this kind, the Commission offered several concrete proposals for easing the tension along the Greek frontier. One recommendation provides for the conclusion of frontier conventions by Greece and its neighbors. However, it is difficult to see how a series of traditional diplomatic agreements of this kind could be effective until better relations prevail among the countries concerned. The Commission accordingly proposed that the Security Council should attempt to establish normal conditions along the Greek border by creating a neutral frontier commission which would be in existence for a period of at least two years and would be charged with assisting in the settlement of any frontier violations that might occur. Moreover, in order to remove two main sources of frontier disturbances, the Commission suggested that the political refugees on either side of Greece's northern boundary should be removed to camps supervised by an international authority pending repatriation, and that arrangements for the voluntary transfer of minorities should be given careful study. Finally, the Commission hoped to encourage Greek political refugees who have fled abroad or joined the guerrilla forces to return to their homes, but it feared that the proposal of an amnesty might constitute undue intervention in the internal affairs of Greece. After a long struggle with this problem, the investigatory body finally made the cautious suggestion that the Greek government, in the event that it decided

to grant a new amnesty to its political opponents, might secure the good offices of the Security Council in supervising the measure.

**WILL SUGGESTIONS BE IMPLEMENTED?** Taken as a whole the recommendations set forth by the Balkan Commission form a thoughtfully compounded prescription for the restoration of good relations between Greece, on the one hand, and Yugoslavia, Albania and Bulgaria, on the other. The blunt warning given the three Slavic states to desist from further interference in Greek affairs, in conjunction with the establishment of a neutral frontier commission empowered to investigate alleged border violations, should quickly reduce the number of incidents which have caused so much fear and distrust between Greece and its neighbors. Moreover, the schemes proposed by the Commission for the resettlement of dissatisfied national groups and the repatriation of political refugees might be expected to help remove some of the deeply rooted causes of friction in the Balkans.

Yet, however coherent and appropriate the suggestions worked out by the majority of the Balkan Commission may appear, it seems highly unlikely that they will all be put into operation. For Russia and Poland, who refused to accept the Commission's recommendations, can hardly be expected to drop their objections when the proposals are laid before the Security Council, and on this occasion the Soviet Union's opposition will be sufficient to block further action. This does not mean that Russia will oppose all sections of the Commission's report. Nevertheless, in view of the determined effort which Andrei A. Gromyko, the Soviet representative at Lake Success, made on May 22 to abolish the interim Balkan sub-commission in Salonika lest it develop into a permanent body, there is little reason to believe that Russia will accept the plan for long-term supervision of the Greek frontier by a neutral commission. Neither does it seem likely that the U.S.S.R. will permit the Security Council to issue a stern warning to Yugoslavia, Albania and Bulgaria to refrain from

giving further assistance to the Greek guerrillas.

In view of the probable inability of the Security Council to agree upon an integrated plan for resolving the crisis along the Greek frontier, the tasks which the United States faces as it inaugurates its new policy in Greece may become all the heavier. Ever since this policy was formulated by President Truman on March 12, the Administration has distinguished between the external threats to Greece, which it relied upon the United Nations to handle, and the internal dangers arising from local Communist pressure, which it hoped to reduce by the skillful use of American military and economic aid. It appears, therefore, that if the Security Council should fail to devise a scheme for removing the threat to Greece from its northern neighbors, the United States may find itself obliged to cope with an even more difficult and dangerous problem than it originally intended to undertake.

WINIFRED N. HADSEL

*The Greek Dilemma: War and Aftermath*, by William H. McNeill. New York, Lippincott, 1947. \$3.50

This analysis of the explosive situation in Greece merits a special citation on many counts. It is objective, timely and thoroughly well-informed on the broad international issues as well as the local problems which are involved in the present Greek crisis.

*Our Vichy Gamble*, by William L. Langer. New York, Knopf, 1947. \$3.75

Professor Langer presents a wealth of new evidence on the reasons for our war-time recognition of the Vichy government in France, a policy which he approves because it enabled us to obtain valuable information, and facilitated our invasion of North Africa.

*The Republic of Silence*, compiled and edited by A. J. Liebling. New York, Harcourt, Brace, 1946. \$4.00

The courageous story of the French Resistance movement revealed in selections from its own writers, accompanied by Liebling's incisive commentary.

*Of True Experience*, by Sir Gerald Campbell. New York, Dodd, Mead, 1947. \$3.50

These pages are filled with reminiscences from a long and colorful career in the British Consular service. Sir Gerald Campbell has served the United Kingdom, among other places, in the Belgian Congo, Italy, Canada and the United States where he has been known as "the best loved Britisher in America." The book's charm, wit and insight make interesting and pleasant reading.

*Public Investment and Full Employment*, by International Labor Office, Montreal, 1946. \$2.25

This book is based on the thesis that public works programs may be used effectively to counteract cyclical depression and maintain a high level of employment. The authors give a detailed analysis of the obstacles to be met and how they may be overcome. A valuable survey of plans thus far developed in many countries for public investment projects is included.

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